

CHAPTER 525
MOTOR CARRIERS AND CHARTER CARRIERS

[Prior to 6/3/87, Transportation Department [820]—(07,F)Ch 4]

761—525.1(325) General information.

525.1(1) *Waiver or suspension of rules.* The department may suspend or waive any of these rules for good cause.

525.1(2) *Person.* The word “person” includes an individual, firm, partnership, joint venture, association, corporation, estate, trust, business trust, receiver, or any group acting as a unit. It includes the plural as well as the singular number.

525.1(3) *Extension of authority.* A motor carrier of property who also holds a truck operator permit or a contract carrier permit or both shall not avoid or modify the exceptions or limitations of the certificate of convenience and necessity by using the authority granted by the permit. The motor carrier shall not use the truck operator permit to operate to or from any point covered under the certificate. The department may refuse to issue a truck operator permit or a contract carrier permit to a motor carrier of property or to a person under the direction or control of the motor carrier.

525.1(4) *C.O.D. remittance.* When a motor carrier of property collects a C.O.D. payment, the carrier shall make remittance to the consignor within ten days after delivery of the shipment to the consignee.

525.1(5) *Bills of lading or receipts.* A motor carrier of property shall issue a bill of lading or receipt in triplicate for each shipment received.

The bill of lading or receipt shall contain the following information: name of motor carrier, date and place received, name of consignor, name of consignee, destination, description of shipment, weight, rate and charges, and signature of motor carrier or agent.

Copies of the bill of lading or receipt shall be distributed as follows: one to the consignor, one to the consignee, and one to be retained by the motor carrier.

525.1(6) *Service and route.*

a. The motor carrier of property shall begin operating within 30 days after the effective date of the certificate. Failure to comply with this provision is cause for forfeiture of operating rights.

b. If the regular service of a motor carrier of property is interrupted for more than 48 hours, the interruption, the reasons for the interruption and its estimated duration shall be promptly reported in writing or by wire to the department and to the public along the route. Suspension of service for a period of five consecutive days without prior written notice to the department is cause for forfeiture of operating rights.

c. If a route of a motor carrier of property is temporarily closed by a public authority, the detour prescribed by the public authority is the authorized route for the motor carrier until the regular route is reopened for public travel. The motor carrier shall not receive or discharge freight anywhere along the detour.

525.1(7) *Information and location.* Applications, forms and information on motor carriers and charter carriers are available by mail from the Office of Motor Carrier Services, Iowa Department of Transportation, P.O. Box 10382, Des Moines, Iowa 50306-0382; or in person at its location in Park Fair Mail, 100 Euclid Avenue, Des Moines, Iowa; telephone (515)237-3264.

This rule is intended to implement Iowa Code sections 17A.3 and 325.2.

761—525.2(325) Insurance—suspension.

525.2(1) *Insurance.* Each carrier shall at all times maintain on file with the department effective certificate(s) of insurance or surety bond on a form prescribed by the department.

a. The required or applicable endorsements shall be attached to certificates of insurance.

b. The insurance or the surety bond shall be written for a period of one year or more.

c. Thirty days' prior written notice shall be given the department of the cancellation of insurance, surety bond, or specific insurance coverage.

525.2(2) Suspension. If a carrier fails to have the required insurance on file with the department or fails to pay the required annual fee for each motor vehicle, the department may suspend the authority of the carrier. The suspension shall remain in effect until the requirements are met. The suspended carrier may request a hearing by submitting a written request to the director of the office of motor carrier services.

761—525.3(325) Self-insurance passenger carriers.

525.3(1) Applications for self-insurance. A motor carrier of passengers requesting self-insurance shall: make application in writing, file a balance sheet for the calendar year immediately preceding the current year up to and including the full quarter preceding the application. The applicant shall furnish any information the department may deem necessary with the application or at any time during the period of self-insurance.

525.3(2) Filing of balance sheets. Upon authorization by the department, a self-insurer shall file with the department, balance sheets within 30 days after the close of each quarter, during the period of self-insurance.

525.3(3) Surety bond. The applicant shall file with the department a surety bond in the penal sum of \$1000.

525.3(4) Authorization. After receipt and consideration of the items and information required by subrules 525.3(1) to 525.3(3), the department may authorize a common carrier of passengers to self-insure.

525.3(5) Cancellation of self-insurance. The department shall have the right to cancel self-insurance at any time it may deem necessary.

This rule is intended to implement Iowa Code section 325.26.

761—525.4(325) Marking of motor vehicles.

525.4(1) Manner of marking motor vehicles. “Motor vehicle” is defined in Iowa Code section 321.1. Before placing any motor vehicle in service there shall be painted on each side of the motor vehicle and on the headboards, if appropriate, or on some suitable material securely placed on each side of the motor vehicle, in letters and figures large enough to be easily read at a distance of 50 feet and in a color in contrast to the background, the following:

a. Markings for all passenger carrying motor vehicles, except as otherwise approved by the department.

(1) Name of motor carrier or charter passenger carrier under whose authority equipment is being operated.

(2) Ia. D.O.T. Cert.
(number of certificate)

b. Markings for motor carriers of property:

(1) Name of motor carrier under whose authority equipment is being operated.

(2) Address of motor carrier (city and state).

(3) Ia. D.O.T. Cert.
(number of certificate)

525.4(2) Rescinded, effective 3/25/81.

525.4(3) Rescinded, effective 3/25/81.

This rule is intended to implement Iowa Code section 325.31.

761—525.5(325) Application.

525.5(1) Submission of application. An application for a certificate shall be submitted to the office of motor carrier services at the address in subrule 525.1(7). The application shall be submitted on a form provided by the office of motor carrier services and shall be typewritten.

525.5(2) Filing fee. An application shall be accompanied by a nonrefundable filing fee of \$50 to cover administrative and clerical costs. This fee shall be paid by check made payable to the Iowa department of transportation.

525.5(3) Hearing fee. Rescinded IAB 6/26/91, effective 7/31/91. See 481—10.27(10A).

525.5(4) Support statements. No shippers' support statements to broaden authority shall be accepted after the 30-day protest period unless a new application is submitted to the office of motor carrier services.

This rule is intended to implement Iowa Code section 325.6.

761—525.6(325) Placing motor vehicles in service. A carrier shall pay an annual fee to the department, as required by Iowa Code section 325.35, before placing a motor vehicle in service.

525.6(1) Description of motor vehicle. The fee shall be accompanied by a description of the motor vehicle; the time to be placed in service; the make, type and serial number of the motor vehicle; and the year the motor vehicle was built.

525.6(2) Fee receipt. The department shall issue to the carrier a fee receipt for each fee paid. The receipt is effective on the date issued and expires on December 31 of the year of issuance.

- a. The renewal fee for each motor vehicle is due and payable on January 1.
- b. A duplicate fee receipt may be issued upon request for one-half the cost of the original fee.
- c. The fee receipt shall be carried with the motor vehicle at all times.
- d. The fee receipt is not transferable.

761—525.7(327C,327D) Complaints. Complaints against motor carriers of property submitted under Iowa Code section 327C.25 or 327D.89 shall be submitted to the office of motor carrier services at the address in subrule 525.1(7).

This rule is intended to implement Iowa Code sections 327C.25 and 327D.89.

761—525.8(325) Records and reports.

525.8(1) Records. Every motor carrier of property shall keep an accurate record of assets and liabilities, cost and depreciation of all equipment and other physical property owned, receipts from operation, operating and other expenses, total amount of freight hauled in pounds by commodity, actual miles traveled within and without the state and such other information the department may deem necessary.

525.8(2) Reports. Every motor carrier of property shall file with the department for the calendar year an annual report, duly verified, in such form as the department may prescribe, on or before March 31 of the year following that for which the report is filed. The department will prescribe the character of the information to be embodied in the annual report and will furnish a blank form therefor.

761—525.9 Rescinded, effective 7/19/85.

761—525.10 and 525.11 Reserved.

761—525.12(325) Sale, transfer, lease, assignment, or control through corporate stock acquisition. A certificate may not be sold, transferred, leased, assigned, or controlled through corporate stock acquisition until the transaction is approved by the department. The transferor must have an annual financial report for the preceding year on file with the office of motor carrier services before a certificate can be transferred.

525.12(1) Application. Application shall be submitted to the office of motor carrier services. The application shall be typewritten, signed and sworn to by the affected parties, and shall contain the following information:

- a. The name and address of the holder of the certificate, the certificate number and the authority granted thereby.
- b. The name and address of the person proposing to take over or lease the certificate.
- c. A statement as to whether it is proposed to sell, transfer, lease, or assign the certificate or control through corporate stock acquisition, the reasons therefor, and a request that the department approve the proposal.
- d. A statement that a financial statement of the person proposed to take over or lease the certificate is attached to the application. Form of financial statement will be furnished by the department upon request.
- e. A statement that two copies of the proposed tariff are attached to the application for a motor carrier of property.
- f. The proposed consideration or amount to be paid for the certificate.
- g. A description of all property proposed to be sold, transferred, leased, assigned or acquired through stock purchase and the amount to be paid therefor.
- h. A statement that a copy of the proposed lease is attached to the application, if it is proposed to lease the certificate.
- i. A statement that copies of all contracts, agreements and other stipulations between the parties to the application are attached to the application.
- j. A complete description of each bus, truck or combination tractor-truck, semitrailer or trailer to be operated by a person proposing to take over or lease the certificate.
- k. A statement that the proposed sale, transfer, lease, assignment or stock purchase is not for the purpose of hindering, delaying or defrauding creditors.
- l. A statement, including the name and address of each of the transferor's known creditors, signed and sworn to, certifying that each has been mailed notice of proposed transfer.
- m. The date on which it is desired that the proposed sale, transfer, lease, assignment or stock purchase shall become effective.
- n. Such other facts as may be necessary to give the department complete information regarding the proposed transaction.

525.12(2) Reserved.

This rule is intended to implement Iowa Code section 325.25.

761—525.13(325) Lease of equipment.

525.13(1) *Lease defined.* Lease, for the purpose of these rules, means a written document providing for the exclusive possession, control and responsibility over the operation of the vehicle or vehicles by the lessee for a specific period of time as if the lessee were the owner. A copy of the lease must be carried in the leased equipment at all times.

525.13(2) *Number.* No motor carrier or charter carrier may have more than one lease covering a specific piece of equipment in effect at a given time.

525.13(3) *Lease of vehicles to shippers or receivers.* No motor carrier or charter carrier shall lease vehicles with or without drivers to shippers or receivers.

525.13(4) *Identification of equipment.* Each lessee shall properly identify each piece of equipment, during the period of the lease, as specified in rule 525.4(325).

525.13(5) *Conditions.* Any lease of equipment by any motor carrier or charter carrier except under the following conditions is prohibited:

- a. Every lease must be in writing and signed by the parties thereto or their regular employees or agents duly authorized to act for them.
- b. Every lease shall specify the time the lease begins and the time or circumstances on which it ends.
- c. Every lease shall set out specific consideration or method of determining compensation.

d. Every lease shall provide for the exclusive possession, control and use of the equipment and for the complete assumption of responsibility in respect thereto by the lessee for the duration of the lease.

761—525.14(325) Tariffs.

525.14(1) Requirements. All motor carriers of property shall maintain on file with the office of motor carrier services a tariff stating the rates and charges that apply for the services performed under the certificate. When class rates are to be assessed naming a classification, the ratings must apply in connection with the rates named in each carrier's tariff. All tariffs and classifications must conform to the following rules except as otherwise authorized by the office of motor carrier services.

525.14(2) Printing. All tariffs and amendments or supplements thereto must be in book, pamphlet or looseleaf form of size 8 × 11 inches. They must be plainly printed, or reproduced by a durable process on good quality paper. No alteration in writing or erasure shall be made in any tariff or supplement thereto. A margin of not less than five-eighths inch, without any printing thereon, must be allowed at the binding edge of each tariff and supplement.

525.14(3) Filing date. All changes to tariffs and supplements must be filed in the office of motor carrier services and posted in a conspicuous place at the operator's principal place of business at least seven days prior to the effective date unless otherwise authorized by the office of motor carrier services. Tariffs or supplements issued in connection with new or changed operating authority, or issued to reflect the transfer or leasing of operating authority from one motor carrier to another, may become effective on a date not earlier than the date the certificates are issued or transferred. Any new tariff shall be effective on the date specified on the certificate issued by the office of motor carrier services.

525.14(4) Copy for department. Issuing carriers or their agents shall transmit to the department one copy of each tariff, supplement or revised page. Each copy shall be included in one package accompanied by a letter of transmittal listing all tariffs enclosed and addressed to the office of motor carrier services at the address in subrule 525.1(7). All postage or express must be prepaid.

525.14(5) Title page. The title page of each tariff shall contain:

a. Each tariff hereafter issued shall be numbered in upper right-hand corner, beginning with number 1. The number shall be shown as follows: Ia. D.O.T. No.

When tariffs are issued canceling a tariff or tariffs previously filed, the Ia. D.O.T. number or numbers that have been canceled must be shown in the upper right-hand corner under the Ia. D.O.T. number of the new tariff.

EXAMPLE: Ia. D.O.T. No. 2
cancels
Ia. D.O.T. No. 1

b. Amendments or supplements to a tariff in addition to showing the Ia. D.O.T. number of the tariff amended thereby shall be numbered beginning with the number 1 and such information shall be shown in the upper right-hand corner. Supplements shall also show in the upper right-hand corner the number of any previous supplements canceled thereby and also the numbers of the supplements containing all changes made in the tariff.

EXAMPLE: Supplement No. 5 to
Ia. D.O.T. No. 1
cancels
Supplements Nos. 3 and 4
Supplements Nos. 2 and 5
contain all changes.

c. Name of carrier or name of agent issuing tariff.

(1) Whenever two or more carriers join in a through rate or charge, the names of all participating carriers must be shown. The name of each carrier must be the same as that appearing in its certificate.

(2) If the carrier is not a corporation and a trade name is used, the name of the individual or partners must precede the trade name.

(3) Whenever two or more carriers join in a through rate or charge, authority by means of proper power of attorney or concurrence, as provided in subrule 525.14(12) must be given the agent or carrier publishing the tariff.

d. A brief description of the districts in which, or points from and to which, the tariff applies.

e. Date of issue and date effective.

f. Name, title and street address of officers or agent by whom tariff is issued.

525.14(6) *Contents of tariff.* Each tariff shall contain in the order named:

a. Table of contents arranged alphabetically showing the number of the page on which each subject may be found. If a tariff contains so small a volume of information that its title page or interior arrangement plainly indicates its contents, the table of contents may be omitted.

b. A complete index of commodities on which specific rates are named, together with references to the pages or items in which they are shown. No index is needed in tariffs of less than five pages or if the rates are alphabetically arranged by commodity.

c. Explanation of all abbreviations, symbols and reference marks used in the tariff.

d. When a tariff names rates by classes, a classification of articles must be published in the tariff or in a separate tariff of classification. When a rate tariff is governed by any separately published tariff of classification, tariff of classification exceptions, tariff or rules, or other similar publication affecting the provisions of the tariff, reference shall be made in the rate tariff to the separate governing tariffs. A rate tariff may not refer to another rate tariff for classification ratings, exceptions to the classification, rules, lists of commodities, list of points assigned rate groups or rate basis, or other governing provisions. All carriers shown as participating carriers in a rate tariff which is governed by separately published governing tariffs must be named as participating carriers in such separate governing tariffs. Carriers or their agents may not publish class or commodity rates which duplicate or conflict with other rates published by or for account of such carriers.

e. Tables of rates. All rates must be specifically stated in cents or in dollars and cents, per 100 pounds, per mile, per ton of 2000 pounds, per stated truck load or other definable measure. Where rates are stated in amounts per package or bundle, definite specifications of the packages or bundles must be shown.

525.14(7) *Commodity rates.* Commodity rates, either specific point-to-point rates or based on distance scales, in stated truck load or in less-than-truck-load quantities, may be published, and where they differ from the regular class rate basis, the lower rate shall take preference.

525.14(8) Rescinded, effective 7/8/87.

525.14(9) *Tariff changes.* All rates, charges and classifications which have been filed with the office of motor carrier services must be allowed to become effective and remain in effect for a period of at least seven days before being changed, canceled or withdrawn, unless otherwise authorized by the office of motor carrier services.

All tariffs, supplements and revised pages (including classifications) shall indicate changes from preceding issues by use of the following symbols which must be shown directly in connection with each change:

or (R) to denote reductions

or (A) to denote increases

or (C) to denote changes, the result of which is neither an increase nor a reduction.

525.14(10) *Posting regulations.* Each carrier must post and file at some designated point at each of its stations or offices all of the tariff or schedules applying from, or to, or at, such station or office and must also post and file at its principal place of business all of its tariffs and schedules. All tariffs or schedules must be kept available for public inspection or examination at all reasonable times.

525.14(11) *Application for special permission.* Carriers or agents when making application for permission to establish rates, charges, classification ratings or tariff rules on less than statutory seven days' notice shall use the form prescribed by the office of motor carrier services.

525.14(12) *Powers of attorney and concurrence notices.*

a. Whenever a carrier desires to give authority to an attorney and agent to issue and file tariffs and supplements thereto in its stead, a power of attorney in the form prescribed by the department shall be used.

b. Whenever a carrier desires to concur in tariffs issued and filed by another carrier or its agent, a concurrence using the form prescribed by the department shall be issued in favor of such carriers.

c. The original of all powers of attorney and concurrences shall be filed with the office of motor carrier services and a duplicate of the original sent to the agent or carrier in whose favor such document is issued.

d. Whenever a carrier desires to cancel the authority granted an agent or another carrier by power of attorney or concurrence, this may be done by a letter addressed to the department revoking the authority on 60 days' notice. Copies of the notice must also be mailed to all interested parties by the carrier.

This rule is intended to implement Iowa Code section 325.5.

761—525.15(325) Basic entry requirements for a certificate.

525.15(1) *Basic entry requirements.* To obtain a certificate, the applicant must:

a. Prove that there is a present and future public need for the proposed service. EXCEPTION: This requirement is not applicable to regular route motor carriers of passengers.

b. Prove that it has and will continue to have the financial ability to conduct the proposed operations.

c. Indicate a general knowledge of, and good faith intent to comply with, applicable state statutes and rules. Proof of past failure to comply with these laws may constitute sufficient grounds for restricting authority or denying an application.

525.15(2) *Need for the proposed service.* In order to prove that a public need exists for the proposed service, the applicant must submit verified statements from representative shippers or passengers who expect to use the proposed service. These supporting statements must include the following information:

a. For what purpose or occasion they expect to use the proposed service.

b. To and from what points they expect to use the proposed service.

c. How often they expect to use the proposed service.

d. For freight shippers only, the volumes of product they expect to ship using the proposed service.

Supporting shippers and passengers may also supply additional information explaining how the proposed service will meet needs that are not currently being met by existing service.

525.15(3) *Verification of support statements.* Statements filed by supporting shippers and passengers must be signed and verified by the supporting individual, or an authorized employee thereof, who is knowledgeable about the supporting individual's business and operations. All statements must be notarized. The office of motor carrier services may require the supporting shipper or passenger to supply additional information and may reject statements that, in the judgment of the office of motor carrier services, lack authenticity.

525.15(4) *Financial fitness.* To determine financial capability, the office of motor carrier services shall assess the applicant's overall liquidity, capital structure and profitability, based on the most recent income statement and balance sheet available. The office of motor carrier services shall consider the following ratios in assessing the applicant's overall financial capability:

a. Liquidity.

- (1) Current ratio: $\frac{\text{Current assets}}{\text{Current liabilities}}$
- (2) Quick ratio: $\frac{\text{Current assets less merchandise inventory}}{\text{Current liabilities}}$
- (3) Working capital ratio: $\frac{\text{Current assets less current liabilities}}{\text{Average daily operating expenses}}$
- b. Capital structure.
- (1) Capitalization ratio: $\frac{\text{Net capitalizable assets}}{\text{Total capitalization including long-term debt}}$
- (2) Debt to equity ratio: $\frac{\text{Long-term debt}}{\text{Long-term debt plus equity}}$
- c. Profitability.
- (1) OPERATING RATIO: $\frac{\text{Operating Expenses}}{\text{Operating Revenues}} \times 100$
- (2) Return on stockholder's equity: $\frac{\text{Net income after interest and taxes}}{\text{Stockholder's equity less intangibles}}$
- (3) Return on net transportation investment: $\frac{\text{Net operating income}}{\text{Average net investment plus working capital}}$

525.15(5) *Applicant's performance.* The office of motor carrier services shall evaluate each applicant's financial capability individually on the basis of overall performance in the three major categories analyzed. The applicant need not prove sufficiency under each ratio to be considered financially capable. The applicant shall have the opportunity to submit additional relevant information addressing deficiencies in any of the areas identified by the office of motor carrier services. The staff of the office of motor carrier services shall advise applicants requesting assistance in providing the necessary financial information.

525.15(6) *Protests.* If an application for a certificate as a motor carrier of property or a charter carrier is protested, the burden of proof shifts to the protester to present evidence tending to disprove a material element of the applicant's initial showing. A protester challenging the application based on lack of need for the proposed service must make an affirmative showing that the existing service is sufficient to meet the public convenience and necessity.

If the application is not protested, the department may presume that the existing service is not adequate for the points requested and that the proposed service is needed.

This rule is intended to implement Iowa Code section 325.6.

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CHAPTERS 526 and 527
Reserved

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